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HOUSE BILL NO. 434

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on January 27, 2026)

(Patron Prior to Substitute—Delegate LeVere Bolling)

A BILL to direct certain electric utilities to petition the State Corporation Commission for approval of electric grid utilization metrics.

Be it enacted by the General Assembly of Virginia:

1. § 1. No later than November 1, 2026, each Phase I and Phase II Utility, as such terms are defined in subdivision A 1 of § 56-585.1 of the Code of Virginia, shall petition the State Corporation Commission (the Commission) for approval of electric grid utilization metrics. Such petition shall include an assessment of current electric distribution and transmission system performance as compared with optimal utilization of existing electric grid assets, including any information necessary for the Commission to evaluate the efficiency and performance of electric distribution and transmission system infrastructure owned and operated by each Phase I and Phase II Utility. Such petition shall include detailed and transparent information regarding how the required assessments are calculated and shall include an assessment of current system performance for each proposed metric. Any electric grid utilization metrics approved by the Commission shall include (i) the ratio of distribution system peak load to total distribution electric grid capacity, (ii) the ratio of current electric load delivered to total potential deliverable electric load over the distribution system, and (iii) the percentage of kilowatt-hours of electricity lost during the distribution process or by the distribution system. Such metrics shall be applied at the feeder and substation level and shall include a requirement to submit seasonal assessments of electric grid utilization and implementation of the metrics. The Commission shall issue its final order regarding such petitions no later than July 1, 2027. Such final order shall include (a) a timeline for each Phase I and Phase II Utility to increase electric grid utilization in accordance with the approved electric grid utilization metrics, (b) a description of how each Phase II Utility shall include such electric grid utilization metrics in future integrated resource plans submitted under Chapter 24 (§ 56-597 et seq.) of Title 56 of the Code of Virginia, and (c) a description of the ways in which the Commission may utilize such electric grid utilization metrics in evaluating future utility requests for approval of cost recovery for capital investments.

§ 2. In issuing the final order pursuant to § 1, the Commission shall analyze and report on the potential for each Phase I or Phase II Utility to increase electric grid utilization through the deployment of non-wires alternatives, including (i) energy storage resources; (ii) customer-owned or customer-financed capacity resources; (iii) utility-owned distributed generation resources; and (iv) virtual power plants, including by using the pilot program investments and tariff under § 56-585.1:16 of the Code of Virginia. In conducting such analysis, the Commission may request any information necessary from each Phase I or Phase II Utility to properly evaluate such utility's deployment of non-wires alternatives or other methods to improve electric grid utilization in the Commonwealth.